Role Of Culture, Experience And Commitment In Developing The Value Of Organization

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Abstract: The purpose of this research were: (1) To analyze the factors that affect the value of organization ENI Oil and Gas Company in Libya. (2) To analyze the role of culture, experience and commitment in developing the value of organization ENI Oil and Gas Company in Libya. The research type is qualitative research methods. In the study, the data sources used in the report on the website of the company ENI. From this site financial data has been collected. In addition to other information about ENI collected from several sites. The type of data used in this study is secondary data, which were obtained directly from data sources including documents that have been collected, such as articles, official websites, statistics and global reporting, and organizational structures. A documentation including a wide range of written materials production of qualitative information can be particularly useful in trying to understand the problem that may have existed on the ground in the area of research and case studies. Policy documents and mission statements, annual reports, minutes or meetings, and codes of conduct are valuable sources of data. The data were collected through documentation gathering from the internet and requesting the data from the related company. Based on the result and discussion, the conclusion of this research are: (1) The factors are affect the value of organization ENI Oil and Gas Company in Libya is the people, mission statement, employee, stakeholders, the core value and the instrumental value. (2) The role of culture, experience and commitment in developing the value of organization ENI Oil and Gas Company in Libya as follows: the corporate culture of ENI include the awareness of human rights, safety and health, quality of work, work diversity, freedom and bargaining in the workplace, training and equity in the workplace will increase the commitment of the employee also with the good experience and commitment, it will increase the value of ENI organization.

Keywords: Culture, experience, commitment, value of organization.

I. Introduction

Nowadays an organization cannot build a good team of working professionals without good Human Resources. The key functions of the Human Resources Management (HRM) team include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more. Any organization, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason, today, companies must put a lot of effort and energy into setting up a strong and effective HRM. There are many indicators for HR. In this report, the culture, experience and commitment of organization will be explained.

Culture is the ‘personality’ of the organization and can be defined as the core beliefs, traditions, shared feelings and values. Culture is a key to achieving organizational excellence in that it not only shapes managers’ and employees’ behavior, but also determines the manner in which people interpret and respond to any given organizational situation. Koontz (2011) defined organizational culture as general pattern behaviours, beliefs, collected and shared perception of values which are considered common in most of organization members. Robbins (2010) in his book entitled “Management” defined organizational culture as follows: organizational culture specifies the way of running affairs in the organization for the employees, it is a shared perception of the organization which is observed in all organizational members and reflects common and permanent characteristics that distinguish an organization from other organizations. In other words, organizational culture specifies social identity in each organization.

Other organizational researchers conceptualize culture in terms of the observable norms and values that characterize a group or organization. They typically stress quantitative measurement schemes and examine behavior rather than phenomenological meaning (e.g., Rousseau, 1990; Thompson & Luthans, 1990). This definition allows for psychometric measurement of attitudes and behavior, either from self-reports or from observers (e.g., Enz, 1988; O’Reilly, Chatman, & Caldwell, 1991).

These differences are more than semantic or methodological. They underline the basic disagreements and confusion that currently characterize the study of culture. Fundamental questions about what organizational culture is, why it is important, and how to investigate it remain unresolved. As Pettigrew notes (1990), the problem with culture is that it is not just a concept but a family of concepts; not just a variable but a frame of reference for viewing organizations. Like a Rorschach, culture means different things to different people.
an anthropological perspective, Powys concludes that “Culture is what’s left over after you forgot what it was that you were originally trying to learn” (1974, p. 5). In the face of this argument and confusion, it is not surprising that, in spite of, or perhaps because of its popularity, the notion of organizational culture has generated more heat than light.

Values are important building blocks of culture and are deep-seated and enduring. They motivate behavior and emotional responses. They underpin the very way people approach their work, make choices and decisions, and deal with each other. Value of organization can be affected by culture, experience and commitment.

Organizational commitment is having loyal and committed human forces. Commitment causes increased profitability and reduced service abandonment and leads to increased efficiency and improvement and increased service quality by influencing personnel performance. There is normative, affective and continuous commitment. Continuous commitment refers to individual’s commitment based on his perception of the costs related to organization abandonment. According to this definition, people remain in the organization not because they feel moral force, or because they have emotional attachment, but because if they leave the organization, they may lose some occupational advantages such as status and occupational position. Normative commitment means staying in the organization because of moral force. In other words, people stay in the organization because they have a sense of duty that they should not leave the organization. People experiences before (such as the cultural and familial socialization) and after (organizational socialization) entering the organization are its effective factors. Affective commitment refers to how far individuals will emotionally tied to an organizations. Without organizational, even the most complex and innovative plans of the senior executives would not be useful. Evidence shows that if the organization provides improvement, suitable career path, fair pay, fairness in the distribution of rewards, autonomy at work, professional identity and suitable image and the employee will have high commitment. Meanwhile, the more experience an employee in an organization will be the better value and also the better performance. So if the experience longer, it will affect the more better performance of an organization.

This research will analyze the role of culture, experience and commitment in developing the value of organization. Object of the study is ENI Company that is one of the largest oil companies in Libya. Eni operates in the oil and gas, electricity generation and sale, petrochemicals, oilfield services construction and engineering industries. In these businesses it has a strong edge and leading international market position. Every action will be more and more based on making the most of people, contributing to the development and well-being of the communities with which it works protecting the environment, investing in the technological innovation and energy efficiency, as well as mitigating the risks of climate change.

ENI is a company that operates in the field of energy at 360 ° and that has chosen to become even more open towards all of its stakeholders. Building a sustainable future by investing in innovation and research. Strategies:

- Confirmed hydrocarbon production goal of 3% average annual growth to 2017, thanks to the accelerated development of new discoveries.
- Break even for G&P businesses brought forwards to 2014 on renegotiation of long-term gas contracts and strong performance of trading, LNG and power.
- Cash breakeven target for R&M activities confirmed by end 2015 despite worsening market conditions, thanks to higher capacity reductions (-50% from -35%).

This research is aimed to analyze the factors that affect the value of organization ENI Oil and Gas Company in Libya and to analyze the role of culture, experience and commitment in developing the value of organization ENI Oil and Gas Company in Libya.

II. Review Of Literature

Literature relevant this research are about the factors based on previous studies of this report. These factors are organizational culture, employees’ experience and commitment to the organization.

Organizational Culture

Recently, culture is very important factor of human resource study. This importance came of increasing numbers of global companies. According to Schein (2004), as organizations stabilizes because of success in accomplishing its primary tasks, the leader’s assumptions become shared and embedding those assumptions can then be thought of more as a process of socializing new members. When culture is established and accepted, it will become a strong leadership tool to communicate the leader’s beliefs and values to organizational members, and especially new comers and culture will have the ability to address problems before they become disasters and consequently are competitive against the competitors.

According to Schein (1999), corporate culture is very important because if an organization make decisions without awareness about the culture, it can be impact on undesirable consequences. So that the
leaders will be face many complex issues, when making decisions about the best methods to generate organizational achievements in their complex environments. The success of the leaders and organization depend on a large extent, on his knowledge and understanding of the organizational culture. The leader who understands his organizational culture and takes it seriously is capable of predicting the outcome of his decisions in preventing any anticipated consequences. The concept of organizational culture has been defined from many perspectives in the literature. There is no one single definition for organizational culture. The topic of organizational culture has been studied from many perspectives and disciplines, such as anthropology, sociology, organizational behavior, and organizational leadership to name a few.

Deal (1999) defines organizational culture as values, beliefs, and behaviors that differentiate one organization from another. Schein (1999) outlines the manifestations of culture as “the way we do things around here”, “the rite and rituals of our company”, “the company climate”, “the reward system”, “our basic values”. These are manifestations of culture because they do not represent culture at the deeper levels where we must understand and manage the deeper levels. In Schein (2004) organizational culture is defined as a “dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behavior, and a set of structures, routines, rules, and norms that guide and constrain behavior”. A practical way to define organizational culture is the environment in which we work; these are the member’s behaviors, attitudes, beliefs, skills, perspectives, habits and prejudices. Some of these attributes have been molded by past leaders, either good or bad through years of indoctrination, influence, and reinforcement. The truth remains that leaders of organizations are responsible for the climate they create in their organization.

Experience
This section is about the experience of employees that be occupied from their previous work. experience means a particular instance of personally encountering or undergoing something. It is also means the process or fact of personally observing, encountering, or undergoing something. In the business perspective, experience means the observing, encountering, or undergoing of things generally as they occur in the course of time. Experience also have another meaning like knowledge or practical wisdom gained from what one has observed, encountered, or undergone. So the more experience someone have, it will make the better performance in an organization and will make the value of organization increase (Ghorbanhosseini, 2013).

Organizational Commitment
Organizational commitment (OC) is a psychological state that binds an employee to an organization, and the Three-Component Model of organizational commitment (Meyer & Allen, 1991) posits that employees bind with their organizations as a result of desire (affective commitment), need (continuance commitment) and obligation (normative commitment); The Three-Component Model of organizational commitment (Meyer & Allen, 1991) has gained substantial popularity since its inception (Wasti, 2005). Meyer and Allen (1991) concluded that an employee’s commitment reflected a desire, need and obligation to maintain membership in an organization. Consequently, commitment manifests itself in three relatively distinct manners. Affective commitment refers to the degree to which a person identifies with, is involved in, and enjoys membership in an organization. Employees with affective commitment want to remain with an organization. Continuance commitment involves a person’s bond to an organization based on what it would cost that person to leave the company. Continuance commitment echoes Becker’s (1960) side-bet theory, and employees with continuance commitment remain with an organization out of need or to avoid the perceived cost of leaving. Normative commitment involves a feeling of moral obligation to continue working for a particular organization.

Value of Organization
Although that organizational values seem too many people somewhat of a “soft” concept within the field of human resources management, Musek Lešnik (2008, p.72) says that it is much more tangible concept than it seems. Kenny (1994) proposed that just like every human community has its own value system, every organization has its own value system. In this context Mesner Andolšek (1995) has established a relationship between individuals’ values and organizational values, where she said that values of organization have grown from values of individuals that have shaped the organizational culture, and since organizational values are one of fundamentals of organizational culture this makes organizational values grow from individual values. Somewhat similar is also the view of Pfeffer and others (1985) where they see the creation of organizational values as a process of following the philosophy of the company that is embedded in organizational culture. Simmerly (1987, p.15) also agrees that organizational values evolve from organizational culture, in his view organizational values evolve from modes of conduct, communication styles and decision making styles within organization. Svetlak (2004, p. 323) says that organizational values are values that are being pushed forward by
the management and have proven itself as a good foundation for development of organization. Same author also says that organizational values are intended to inspire employees with creative energy that will push organization forward towards desired goals. Cingula (1992, pp. 499–500) has also discussed organizational values, he sees organizational values as: “what people within organization think is good for organization, what needs to happen within organization and what might be needed within organization in the future”. Same author also says that due to mentioned above organizational values reflect the mission and strategic goals of the organization.

A culture based on values is rapidly becoming one of the most important criteria for business success. Many organisations have chosen core values the expected results they imagined. Understanding the personality and strengths of a culture, its motivating drivers, the stories that illuminate the values, and the directions that the employees want to take are essential prerequisites for the effective integration of values. The most successful methods for extracting this information are whole-systems based.

### III. Methodology

A. **Report Methodology:** This report has the objective to identify and investigate factors that affect the value of the organization's ENI Oil and Gas Company in Libya, and analyze the role of culture, commitment and experience in developing organizational values ENI Oil and Gas Company in Libya. So in this part of the report will explain the method to achieve the goal of the report.

B. **Report Type:** According to (Pfeffer, 1982), qualitative methods is usually used in the study procedure. Qualitative researchers aim to gather an in-depth understanding of human behavior and the reasons that govern such behavior. The qualitative method investigates the why and how of decision making, not just what, where, when. Hence, smaller but focused samples are more often used than large samples. In the conventional view, qualitative methods produce information only on the particular cases studied, and any more general conclusions are only propositions (informed assertions).

C. **Source of Data:** In the study, the data sources used in the report on the website of the company ENI. From this site financial data has been collected. In addition to other information about ENI collected from several sites. The type of data used in this study is secondary data, which were obtained directly from data sources including documents that have been collected, such as articles, official websites, statistics and global reporting, and organizational structures. A documentation including a wide range of written materials production of qualitative information can be particularly useful in trying to understand the problem that may have existed on the ground in the area of research and case studies. Policy documents and mission statements, annual reports, minutes or meetings, and codes of conduct are valuable sources of data.

D. **Data Collection:** The data were collected through documentation gathering from the internet and requesting the data from the related company. To obtain comprehensive information, the researcher made some notes on the documentations to obtain more understanding and to make bit easy to interpret the data. Some of the data collected from the site of the company. From the year 2010-2013 annual reports collected from the site ENI. Additional information was collected of human resource department in the related company. ENI is a public company listed in Libya. Secondary data has been used in this report to achieve the goal.

E. **Method of Data Analysis:** After the data was collected from the internet and from ENI Oil & Gas Company, it was then processed and consolidated and later Integrated to provide meaningful information for this study. The case study is a qualitative data analysis methods used in the study. Similar to other qualitative research, data collection and analysis occurs at the same time. Will depend on the type of analysis involved in the case study. Yin (2003) give the brief analysis and describes five techniques: pattern matching, the proposal, explaining the building, time series analysis, logic models, and cross-linked to the synthesis of data and vice versa. In this report the direct interpretation is used to analyze the data for ENI.

### IV. Findings And Discussion

**Factors affecting the value of organization ENI Oil and Gas Company in Libya**

The essential building blocks of culture and it is a profound and lasting organizational value. They respond emotionally and motivate behavior. They strongly support the way people approach their work, make choices and decisions, and to deal with each other. IntegrateHR objective culture assessment tools can provide measurable data on real organizational values and norms. The core values provide the basis for implementing the strategy, mission, and organizational structure. They are set in an organization's understanding of how to work together, how to treat others, and what is most important. In most organizations they are understood,
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implicit, but rarely discussed. Creation of organizational values statement can be a powerful influence to align everyone with the core principles behind the business. Values are not static; they should be updated and redefined to fit different time and reality. Value of organization of ENI can be seen in the Mission statement as follows:

**Mission:**

“We are a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. Eni men and women have a passion for challenges, continuous improvement, excellence and particularly value people, the environment and integrity.”

For stakeholders to deliver on profitability and growth in each of its business, the target business model of long-term value creation Eni, improve efficiency and reduce risk.

Major capital used by Eni, classified according to the criteria included in the "International IR Framework” issued by the International Integrated Reporting Council (IIRC). Based on the financial results and strong sustainability performance depends on the responsible use of our capital and efficient resulting in operational excellence, asset integrity, operational risk management, preservation of health, safety and environment. Below is articulated map of the major capital utilized by Eni and positive actions affect the quality and availability of them. At the same time, schematic form how efficient use of capital and related connections create value for the company and stakeholders.

![Figure 1. ENI Dividend, Operating Performance and Leverage](source)

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*Source: Annual Report of ENI*

From the figure above, it can be say that the dividend along 2011-2013 is increased and the operating performance increased in 2012 while decreased in 2013, meanwhile the net borrowings and leverage is decrease. This reflected the good performance of ENI financial reporting and give more higher value to the stakeholders.

![Figure 2. ENI’s Employee per period.](source)

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*Source: Annual Report of ENI*

From the figure above, it can be seen that the ENI’s employee is increased from 2011-2013 period this concluded that the instrumental value is good.
From the figure above, it can say that the ENI’s summary financial data is decreased in all factors (only adjusted net profit per share, dividend yield and debt coverage were increased) from 2011 to 2012. While among 2012-2013 was increased (only debt coverage, coverage, return on average and adjusted net profit). Financial period concluded that the core value is good.

Value of ENI Oil & Gas Company (according to the objectives of the company) can be also affected by:

**Sustainability:** Sustainability has always been a value for Eni. Also because it is the direct heir of that respect that has distinguished the company since the time of Mattei; a respect for people or the environment, for today’s world today or that of tomorrow, and without which there can be no sustainability, because we believe that the future can be a good place to live and this is what we are working for very day.

**Partnership:** Everything Eni does, cannot be done alone and all our technology would be of little use without the cooperation of the producer countries of raw materials. Countries where the company recognized the value of their resources, and not only in economic terms. We are on the side of all those who want to grow together with us. We are for sharing, for transparency, for the future. the company is for the energy of the heart and mind.

**Innovation:** There is never only one way ahead. And we never know, beforehand, which is the best. We can be helped by intuition, which is something between imagination and experience. But then it takes courage, that courage that Eni has in facing and travelling new roads every day. Because we know that each point of arrival is just a starting point.

**Efficiency:** We have to use the energy that we have well. Only in this way can we be sure to get the results we want over time. Resources - financial, energy and human – need to work together. In a word that is used a lot, this is called efficiency. At Eni we prefer to call it realization. Because it is a word in movement.

**The role of culture, experience and commitment in developing the value of organization ENI Oil and Gas Company in Libya**

Another factors affecting the value of ENI organizations such as culture, experience and commitment. With regard to issues of sustainability, CEO objectives set for incentives to be paid in 2014, the focus is also on maintaining the presence of Eni in the main sustainability indexes, as well as the development of the program "Culture of Integrity".

**Role of Culture in Developing Value of ENI Oil & Gas Company**

Culture is energy, by definition, because without culture, sooner or later the world would stop. And if culture is energy, ENI cannot be other than culture. A value to be promoted and supported, in all its forms. From universities to schools, from research to the everyday, in Italy and around the world. Because for the company.
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culture is a place of encounter and exchange. Freedom of association and collective bargaining is another culture, freedom of association and the effective recognition of the right to collective bargaining are doing activities Eni. In order to develop effective trade union dialogue and sustainable, Eni has been set up by the Union model of industrial relations with the phase that allows for all the information, consultation and involvement required to meet business needs and requirements of the organization. Model of industrial relations ensure broad participation before, ensuring a continuous process of dialogue with the unions for changes involving the company and workers. Therefore, Eni protect people's right to form and join trade unions of their choice without discrimination, interference or permission, with the only constraint rules of the organizations involved. Industrial Relations Eni regulated at the national level by the 2001 Industrial Relations Protocol and with the agreement of development and competitiveness and to a new model of industrial relations was signed on 26 May 2011. In carrying out its activities Eni guarantees freedom of association and the effective recognition of the right to collective bargaining. In order to develop effective trade union dialogue and sustainable, Eni has been set up by the Union model of industrial relations with the phase that allows for all the information, consultation and involvement required to meet business needs and requirements of the organization. Industrial Relations Eni regulated at the national level by the 2001 Industrial Relations Protocol and with the agreement of development and competitiveness and to a new model of industrial relations was signed on 26 May 2011. The issue of notes in relation to the activities of industrial relations at the international level is the relationship with the European Works Council (CAE) on Eni’s progress within the framework of European policy and with representatives of the European Observatory Worker Safety and Health Risks. Eni is involved in the cultural life of the areas in which it operates, also through support for artistic events and contributions to heritage restoration and conservation projects.

Role of Experience in Developing Value of ENI Oil & Gas Company

The focus of regulatory documents Eni is the promotion of international labor standards in all contexts, trade union agreements in force at national and international level, personnel management and development processes and training and communication initiatives. Priorities for Eni in the pursuit of its business activities are health and safety of people Eni, communities and partners Eni. All Eni organizational solutions ensure protection and respect for the health and safety based on the principles of prevention, prevention, protection and continuous improvement, making all levels of the company responsible for achieving this. Location operations conduct a risk assessment to identify the main threats to the security personnel. Eni has a health management system based on OHSAS 18001 international standard and every year introduce specific safety objectives are connected to the remuneration of Eni. Campaign to raise awareness, provide information and specific training on the subject for the entire workforce, without exception, is an additional element of safety and good training in Eni, which is seen as an important component of the corporate culture Eni.

Eni has developed a training path for those who represent a special tool to promote personal and professional development and contribute to the quality of work, training and awareness. Eni main route used to develop and improve the knowledge and managerial skills and technical-professional people are Eni Corporate University. Different courses provide both to strengthen the growth process of cultural, professional and managerial and specialist in-depth exploration of topics with a direct impact on the business. For members of the Board of Directors, a series of training initiatives and awareness about specific issues related to sustainability are provided as part of the process of induction Council.

Role of Commitment in Developing Value of ENI Oil & Gas Company

The policy emphasizes the importance of human factors and drivers that determine the development and improvement, identify the principles and values that should inspire the actions and behavior and confirms Eni's commitment to support "the observance of the rights enshrined in the Universal Declaration of Human Rights". Strategic importance of the Eni enshrined in policy "Our people" in which he stated that "people are an indispensable element and essential to the existence of the company and business objectives can be achieved only through their dedication and professionalism". These principles are reflected in the MSG "Human Resources" that standardize and define all processes within the scope of Human Resources. For Eni, offering quality work also means improving the practice, results, professional skills, work experience and the potential of using a unified and consistent assessment system. Remuneration system is oriented to ensure the recognition of employee contribution to the achievement of corporate goals. In connection with these principles, the remuneration policy is defined in an integrated manner at the global level, in line with the benchmark indicator for local markets and specific sectors. Eni "encourage, in labor relations, application behavior based on mutual respect and condemn all forms of behavior is interpreted as intimidation or harassment" and as part of this commitment has developed a web seminar on "non-discrimination" which explains the ILO Convention 111, one a document that set international standards on discrimination in the workplace. This initiative, evaluated as "best practices" by the International Labour Organisation (ILO) was inspired by our belief that awareness by
everyone about the importance of equality and non-discrimination is an essential requirement for creating an inclusive environment that promotes respect and give value to diversity. So it can be said that culture implemented in ENI. From the above description, also the experience of employees and employee commitment will increase the value of the organization.

V. Conclusions

Based on the result and discussion, the conclusion of this research are: The factors are affect the value of organization ENI Oil and Gas Company in Libya is the people, mission statement, employee, stakeholders, the core value and the instrumental value. The role of culture, experience and commitment in developing the value of organization ENI Oil and Gas Company in Libya as follows: the corporate culture of ENI include the awareness of human rights, safety and health, quality of work, work diversity, freedom and bargaining in the workplace, training and equity in the workplace will increase the commitment of the employee also with the good experience and commitment, it will increase the value of ENI organization.

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